

UNITED STATES BANKRUPTCY COURT  
FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

In re: ELIJAH JACKSON and )  
MARY L. JACKSON, ) Case No. 00-80026-SSM  
 ) (Chapter 11)  
Debtors. )

**SUPPLEMENTAL APPLICATION TO EMPLOY ACCOUNTANTS**

The Debtors, ELIJAH JACKSON and MARY L. JACKSON, by and through counsel, represent as follows:

1. This Court has jurisdiction over the subject matter of this motion pursuant to 11 U.S.C. § 1121(e)(3)(B) and 28 U.S.C. §§ 157(b)(2) and 1334. This is a core proceeding within the meaning of 11 U.S.C. § 157(b)(2).
2. On January 12, 2000, the Debtors filed their voluntary Chapter 11 petition herein and continue to manage their affairs and property as debtors in possession.
3. On July 10, 2000, this Court entered an order granting the Debtors' Application to employ the accounting firm of Raffa & Associates, P.C. ("Raffa") as accountants to the Debtors for the limited purposes of preparing and filing the Debtors' 1997, 1998, and 1999 federal and state income tax returns (ECF #54).
4. Said firm is a disinterested person within the meaning of 11 U.S.C. § 101(14) and is

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familiar with the Debtor's operations and finances. Neither said firm nor any of its employees represents or has any connection with or holds or represents any interest adverse to the estate of the Debtors, its attorneys, the United States Trustee, or any person employed in the office of the United States Trustee, except that said firm represents Navcom Systems, Inc., an affiliate of the Debtors, in Case No. 99-10138-SSM pending in this Court and holds a pre-petition claim of \$5,222.00 therein, and has previously rendered professional services to the Debtors. In addition, Raffa has rendered or renders professional services to the following wholly owned affiliates of the Debtors:

Air 2000  
Jackarosa LLP  
Jackson Property Management  
Navcom Aviation I, Inc.  
Navcom Aviation II, Inc.  
Navcom Charities  
PVI Travel, Inc.

Raffa has also provided accounting, tax, and/or consulting services to certain creditors and parties in interest herein that are completely unrelated to claims such entities may have against the Debtors, all as set forth in the Declaration filed by Raffa in support of the Debtors' Application to Employ Accountants filed herein (ECF #50). Raffa is familiar with the Debtors' business and personal financial affairs and has provided accounting services and financial advice in connection with other Chapter 11 bankruptcy reorganization cases.

5. Upon information and belief, the Debtors may be entitled to receive a federal income tax refund of approximately \$2.2 Million for 1997 upon the filing of their return for such period. In order to file such return, the Debtors must receive K-1's from the following affiliates, all of which are partnerships or subchapter S corporations that are no longer operating:

Jackson Property Management  
Navcom Aviation I, Inc.  
Navcom Aviation II, Inc.  
PVI Travel, Inc.

The Debtors must also prepare and file a form 1040X return for 1992 and 1994 in order to carry back their 1997 losses of approximately \$6 Million to 1992 and 1994, during which years the Debtors made tax payments of \$2,821,935 and \$2,999,932, respectively, to the Internal Revenue Service.

6. Such affiliates are without funds to pay Raffa or any other accountant to prepare and file federal (form 1120S) and state tax returns and K-1 forms for 1997. However, the preparation and filing of such returns would benefit the Debtors and their estate to the full extent of the refunds.

7. The Debtors seek to employ Raffa for such purposes and to compensate Raffa therefrom from the tax refund when received. Raffa and the Debtors acknowledge that the Debtors have no other ready sources of funds to pay for such services and that the anticipated 1997 refund is the only likely source for payment.

8. The Debtors also wish to expand Raffa's employment to include the preparation and filing of form 1040X for 1992 and 1994 for themselves individually, which is a critical step in obtaining the refund for 1997.

9. Raffa will utilize the following current hourly range of billing rates in seeking compensation for services to be rendered in preparing and filing returns for the foregoing entities:

Partner	\$185 - \$225
Manager	125 - 175
Senior Accountant	100 - 125
Staff Accountant	80 - 90
Administration	40 - 45

WHEREFORE, the Debtor requests this Court to enter an order approving the employment of Raffa & Associates, P.C. by the Debtors to prepare 1997 federal and state tax returns for Jackson Property Management, Navcom Aviation I, Inc., Navcom Aviation II, Inc., and PVI Travel, Inc., with compensation payable from the Debtors' estate, subject to review and approval by this Court, effective July 10, 2000, and to prepare forms 1040X for 1992 and 1994 for the Debtors individually.

Respectfully submitted,

ELIJAH JACKSON and  
MARY L. JACKSON  
By counsel

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CERTIFICATE OF SERVICE

I hereby certify that on October 6, 2000, true copies of the foregoing Application with attached Declaration and proposed Order were served by mailing, first class postage prepaid, upon all creditors and parties in interest on the attached service list.

/s/ Kermit A. Rosenberg  
KERMIT A. ROSENBERG

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